

ferred more in the two recessions of the early 1980's and benefitted less from the 1982-1989 recovery than did metro areas. As a result, employment growth was considerably slower in nonmetro (1 percent annually) than in metro areas (2.2 percent annually) during 1979-89. More encouraging is the most recent performance of rural areas. In contrast to the 1980's trend, rural areas weathered the 1990-91 recession better than urban areas. In nonmetro areas, total jobs grew at a 1.8 percent annual rate during 1990-97; in metro areas, jobs grew at a 1.6 percent annual rate (table 4-2). Most of the growth in both areas was in services-producing industries, 3.3 million out of 3.7 million new nonmetro jobs and 15.1 out of 15.3 million new metro jobs. Goods-producing industries contributed 433,000 new nonmetro jobs while metro areas gained only 201,000 goods-producing jobs.

## ■ Nonmetropolitan Employment and Wages

In 1998, 25.5 million people 16 years old and older were in the nonmetropolitan work force, either at work or looking for work. On average, 1.2 million or 4.8 percent of these workers were unemployed during the year. The continuing national economic expansion has brought about the lowest nonmetro unemployment rate in 25 years, with widespread reductions in unemployment among all groups of workers, including minorities and teenagers. In 1998, 14.1 percent of teenagers, 10.3 percent of Blacks, and 7.1 percent of Hispanics in nonmetro areas were unemployed (table 4-3). These rates, however, remain well above the 1998 average for nonmetro Whites (4.2 percent). The official unemployment rate excludes those jobless people not actively seeking work, but who indicate they want or are available for work (marginally attached workers), and part-time workers who want full-time jobs. The nonmetro adjusted unemployment rate, which includes marginally attached workers and involuntary part-time workers, was 8.8 percent.

Nonmetro unemployment rates in 1998 were slightly higher than metro rates (4.8 and 4.4 percent, respectively.) During the 1980's, nonmetro unemployment rates were consistently higher in nonmetro areas than in metro, but below the metro rate for a few years after the 1990-91 recession (figure 4-1). The nonmetro adjusted unemployment rate has remained higher than the metro rate throughout the 1990's. In 1998, the nonmetro unadjusted rate of 8.8 percent was somewhat above the 7.9 percent metro rate.

Nonmetro earnings have risen during the 1990's, in contrast to the earnings losses of the previous decade. The inflation-adjusted, average nonmetro weekly earnings for wage and salary workers fell 12.6 percent between 1979 and 1990, from \$491 to \$429 (1998 dollars). Average metro weekly earnings fell a smaller 1.4 percent between 1979 and 1993. As a result, the metro/nonmetro average weekly earnings gap grew sharply, increasing from \$73 to \$127 (1998 dollars). From 1990 to 1998, however, nonmetro weekly earnings increased 7.8 percent, to \$462 (1998 dollars), while metro earnings were up 5.4 percent (table 4-4). The absolute dollar value of the metro-nonmetro wage gap has changed little during the 1990's, but nonmetro earnings have risen at a faster rate than metro earnings.

Table 4-3.

Unemployment rates among various metro and nonmetro groups,  
1998

	<i>Nonmetro</i>	<i>Metro</i>	<i>U.S.</i>
	<i>Thousands</i>		
Civilian labor force	25,510	112,163	137,673
Total employment	24,289	107,174	131,463
Unemployed	1,221	4,989	6,210
Unemployment rate:			
	<i>Percent</i>		
All civilian workers	4.8	4.4	4.5
Men	4.7	4.4	4.4
Women	4.9	4.6	4.6
Teenagers	14.1	14.7	14.6
White	4.2	3.8	3.9
Black	10.3	8.7	8.9
Hispanic	7.1	7.2	7.2
Adjusted unemp. rate <sup>1</sup>	8.8	7.9	8.0

<sup>1</sup>Unemployment rate adjusted to include marginally attached workers and workers employed part-time for economic reasons.

Source: Current Population Survey, Bureau of the Census.

Table 4-4.

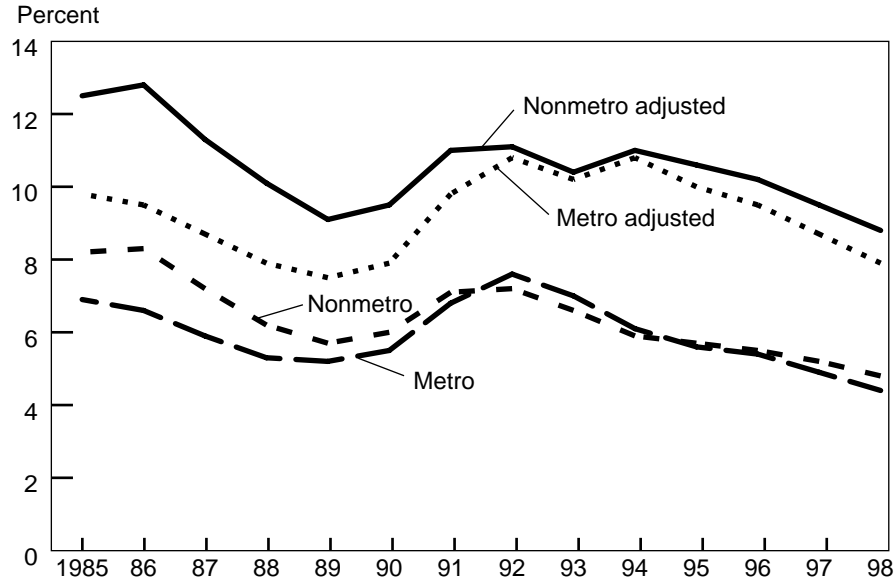
Average weekly earnings for metro and nonmetro wage and salary  
workers, 1979-98

	<i>U.S.</i>	<i>Metro</i>	<i>Nonmetro</i>	<i>Metro-Nonmetro Wage Gap</i>
	<i>1998 dollars</i>			
1979	541	564	491	73
1990	530	556	429	127
1998	564	586	462	124
	<i>Percent</i>			
1979-90 change	-2.0	-1.4	-12.6	74.0
1990-98 change	6.4	5.4	7.8	-2.4

Source: Prepared by ERS using data from the Current Population Survey, Bureau of the Census.

Figure 4-1.

Unemployment rates by residence, 1985-98



Note: Beginning in the first quarter of 1994, the adjusted unemployment rate is defined as the total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force, plus all marginally attached workers (U-6). Prior to the first quarter of 1994, the adjusted unemployment rate is defined as total unemployed, plus discouraged workers, plus one-half of workers part time for economic reasons as a percent of the civilian labor force, plus all discouraged workers. Source: Current Population Survey, Bureau of the Census.

## ■ Nonmetropolitan Income and Poverty

Nonmetropolitan median household income increased by 4.6 percent from 1996 to 1997 after adjustment for inflation, going from \$28,734 to \$30,057. The median income of metropolitan households increased 2.3 percent, from \$38,504 to \$39,381. With nonmetro income growing more than metro income, the income gap between nonmetro and metro households narrowed slightly. Nonmetro household income lagged metro household income by 23.7 percent in 1997, down from a 25.4 percent gap in 1996. In both nonmetro and metro areas, married-couple families have much higher median income than do other household types, and non-Hispanic White households have much higher median income than households headed by minorities (table 4-5).

The poverty rate in nonmetro America stood at 15.9 percent in 1997, unchanged from the previous year, and higher than the metro poverty rate of 12.6 percent. The nonmetro poverty rate has been quite stable over the last 10 years, remaining within a